



MEMORANDUM

To: Department Directors and Elected Officials
Cc: Department Chief Financial Officers
From: Mollie Anderson, Director, Iowa Department of Administrative Services
Date: April 25, 2008
Re: DAS-HRE Rebate to Agencies

As all of you are aware, saving money in all of our operations is a key ingredient to doing business within state government. This is clearly becoming the case regarding utility rates with DAS-HRE, as reflected in the rebate noted on your current eDAS bill. To avoid widespread confusion, I would like to offer an explanation of what I hope you all will agree is good news.

Essentially, we are witnessing the results of greater efficiencies and a growing overall economy. In the private sector, larger surpluses mean even greater growth. But in state government, surpluses result in recovery payments to the federal government. As we continue to refine the structure of rates charged to state agencies, we must also strive to reduce such surpluses so that more of our funds can be kept within the state treasury.

In the case of DAS-HRE, because of rebates from other DAS enterprises, cutting their own expenses and the inability to fill several vacancies, they have accumulated too great of a surplus. Primarily, these surpluses were accumulated in three service areas:

- Personnel officers
- Labor relations
- Benefits

DAS-HRE totaled the surplus in these areas and then determined what part of the surplus was due to each state agency, based on percentage of each agency's FY08 costs and the total costs, statewide, for these services.

In addition to receiving DAS-HRE rebates in the current eDAS billing, please note that rates for FY09 are not increasing. While we understand that a rebate so late in the fiscal year creates challenges for your agency, we hope that stable rates for next year is considered good news. Moving forward, we will continue to refine what I believe is an effective and efficient way of conducting the business of our state, with a bottom line of saving taxpayers money whenever possible.

Thanks for your understanding and please feel free to contact me with any questions or concerns.